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Lufthansa needed 145 aircraft for serving this net, while the new airlines will be able to operate with 24. The Lufthansa used 11 different types of aircraft, while the new airlines will use only two. The old Junkers-52 transport /the "work horse" of the Lufthansa/ carried 17 passengers, while the new aircraft will have room for 44 to 50 first-class passengers or 80 tourist-class passengers. The decisive factor in the question of Federal subsidies is the improvement of the foreign-currency balance. The West German invisible exports balance shows a high deficit. This is a situation which cannot be allowed to continue. The first investments will amount to about 130 million Deutsche marks (West). They can easily be obtained in the form of a foreign loan to be repaid within 7 to 10 years. But the airlines will earn foreign currency or save expenditure of foreign currency even in the first years of operation. It should be remembered that the foreign airlines operating in West Germany grossed over 100 million Deutsche marks for passengers and freight.

Purchase of first-rate equipment which is known to be reliable is the prerequisite for proper operations. This equipment is best obtained from the United States. While the development of jet-propelled transports deserves attention, the purchases will have to be limited to conventional propeller-driven aircraft. The amortization period for aircraft can be set at 5 years. During these 5 years, jet propulsion will probably have been fully developed, but the political situation is such that no long-term orders can be placed. All plans have been laid, however.

The newly founded company has an initial capital of 6 million Deutsche marks, with the Federal Government holding shares of 4 5 million, the Federal Railroads one million, and the Land Nordrhein-Westfalen 0 5 million. The appeal to German private economy brought an unexpectedly good response. Banks subscribed for 600,000 Deutsche marks, and shipping concerns for 150,000; other branches of the economy also subscribed. Private industry subscribed only in the form of convertible bonds. It is hoped to increase the capital stock to 15-20 million Deutsche marks in 1953.

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